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NOTE

The term 'Britain' is used informally in the *Survey of Current Affairs* to mean the United Kingdom of Great Britain and Northern Ireland. 'Great Britain' comprises England, Wales and Scotland.

Changes in the Civil List

The Government has announced new arrangements for the annual payments made to the royal family under the Civil Lists Acts to finance expenses incurred in carrying out their official duties. Changes in the management of the occupied royal palaces have also been proposed.

In a statement to the House of Commons on 24 July (*Hansard*, Vol 177, No 149, cols 299-306), the Prime Minister, Mrs Margaret Thatcher, said that the Government proposed from 1 January 1991 to fix the yearly sum voted by Parliament for the Civil List at £7·9 million a year for ten years. This would implement recommendations made by the Civil List Select Committee in 1971 and contained in the Civil List Act 1972 (see pp 5-6, 1972). The proposed figure had been established by taking the Civil List sum of £5·09 million for 1990 (see p 127) and increasing it by 7·5 per cent a year over ten years; this represented the average annual rate of inflation over the past ten years. The proposed yearly allowances made to other members of the royal family had been similarly calculated. Their total net cost would be about £1·9 million a year.

Should the provision be more than necessary, Mrs Thatcher said, the surplus at the end of the ten-year period would be carried forward and taken into account by the Government in setting the figure for the new period. However, should the proposed provision prove insufficient, there would be a report from the Royal Trustees, and the Government of the day would bring forward proposals for a new settlement.

The Government also proposed to give the Royal Household greater responsibility for managing the occupied royal palaces. [These are Buckingham Palace, Windsor Castle, St James's Palace and Kensington Palace.] While central government would remain responsible for financing the upkeep of the palaces, from 1 April 1991 operational responsibility for their upkeep would rest with the Royal Household.

The arrangements for the Civil List and the occupied royal palaces, said the Prime Minister, were 'in tune with modern financial management' and 'in keeping with the dignity of the Crown and with the esteem and affection' in which the royal family were held.

The proposed yearly sums for members of the royal family for 1991-2000, compared with the figures for 1990, are as follows:

£

	1990	1991-2000
The Queen's Civil List	5,090,000	7,900,000
Queen Elizabeth, the Queen Mother	439,500	640,000
The Duke of Edinburgh	245,000	360,000
The Duke of York	169,000	250,000
Prince Edward	20,000	100,000
The Princess Royal	154,500	230,000
Princess Margaret	148,500	220,000
Princess Alice, Duchess of Gloucester	60,500	90,000
The Duke of Gloucester	119,500	630,000
The Duke of Kent	161,500	
Princess Alexandra, Hon Lady Ogilvy	154,000	
Total	6,762,000	10,420,000
Refunded by the Queen	435,000	630,000
	6,327,000	9,790,000

The Queen has agreed to continue to refund the sum equivalent to the payments made to the Duke of Gloucester, the Duke of Kent and Princess Alexandra.

No special provision is made for the Prince of Wales, who is entitled to net revenues from the Duchy of Cornwall, although he surrenders a quarter of these to the Exchequer.

Recent Legislation

The public Acts of Parliament passed since April 1990 are listed below. Eleven Acts were introduced by private members: these are indicated by asterisks.

**Access to Health Records Act 1990.* Gives patients a right of access, subject to certain exemptions, to information recorded in manually held health records. Royal Assent: 13.7.90. Ch 23. HMSO, £2·10. ISBN 0 10 542390 4.

**Agricultural Holdings (Amendment) Act 1990.* Amends the Agricultural Holdings Act 1986 (see p 108, 1986) so as to remove the right to serve an incontestable notice to quit for non-agricultural

cases except where planning permission has been given or is not required by reason of Crown immunity. Royal Assent: 29.6.90. Ch 15. HMSO, 95p. ISBN 0 10 541590 1.

Appropriation Act 1990. Prescribes how expenditure is appropriated in order to finance specific public services. Royal Assent: 26.7.90. Ch 28. HMSO, £5·85. ISBN 0 10 542890 6.

Australian Constitution (Public Record Copy) Act 1990. Excludes the public record copy of the Australia Constitution Act 1900 – presently on loan to Australia – from the public records to which the Public Records Act 1958 applies. The copy will remain permanently in Australia. Royal Assent: 29.6.90. Ch 17. HMSO, 55p. ISBN 0 10 541790 4.

Aviation and Maritime Security Act 1990 (see p 77). Royal Assent: 26.7.90. Ch 31. HMSO, £7·05. ISBN 0 10 543190 7.

British Nationality (Hong Kong) Act 1990 (see pp 170-1). Royal Assent: 26.7.90. Ch 34. HMSO, £1·40. ISBN 0 10 543490 6.

**Computer Misuse Act 1990.* Contains provisions to prevent unauthorised access to computer material. Royal Assent: 29.6.90. Ch 18. HMSO, £2·90. ISBN 0 10 541890 0.

Contracts (Applicable Law) Act 1990. Enables Britain to ratify the Rome Convention on the law applicable to contractual obligations. Royal Assent: 26.7.90. Ch 36. HMSO, £3·30. ISBN 0 10 543690 9.

Education (Student Loans) Act 1990 (see pp 481-2, 1989). Royal Assent: 26.4.90. Ch 6. HMSO, £1·75. ISBN 0 10 540690 2.

Enterprise and New Towns (Scotland) Act 1990 (see pp 75-6). Royal Assent: 26.7.90. Ch 35. HMSO, £6·45. ISBN 0 10 543590 2.

**Entertainments (Increased Penalties) Act 1990.* Increases penalties for certain offences under enactments relating to the licensing of premises or places used for dancing, music or similar entertainments. Royal Assent: 13.7.90. Ch 20. HMSO, 95p. ISBN 0 10 542090 5.

Finance Act 1990 (see pp 134-9). Royal Assent: 26.7.90. Ch 29. HMSO, £13·35. ISBN 0 10 542990 2.

Food Safety Act 1990 (see pp 145-7). Royal Assent: 29.6.90. Ch 16. HMSO, £6·45. ISBN 0 10 541690 8.

**Gaming (Amendment) Act 1990.* Amends the provisions of the Gaming Act 1968 which relate to the licensing and registration of premises. Royal Assent: 13.7.90. Ch 26. HMSO, £1·75. ISBN 0 10 542690 3.

Government Trading Act 1990 (see pp 4-5). Royal Assent: 26.7.90. Ch 30. HMSO, £3·30. ISBN 0 10 543090 0.

Greenwich Hospital Act 1990. Enables the Royal Hospital School to admit both girls and boys, regardless of any seafaring family connection. Royal Assent: 29.6.90. Ch 13. HMSO, 55p. ISBN 0 10 541390 9.

**Horses (Protective Headgear for Young Riders) Act 1990.* Makes compulsory the wearing of protective headgear by riders under the age of 18. Royal Assent: 13.7.90. Ch 25. HMSO, 95p. ISBN 0 10 542590 7.

**Licensing (Low Alcohol Drinks) Act 1990.* Amends the definition of intoxicating or alcoholic liquor. Royal Assent: 13.7.90. Ch 21. HMSO, 55p. ISBN 0 10 542190 1.

**Marriage (Registration of Buildings) Act 1990.* Allows buildings to be registered for the solemnisation of marriages, notwithstanding the fact that they form part of other buildings. Royal Assent: 26.7.90. Ch 33. HMSO, 55p. ISBN 0 10 543390 X.

National Health Service and Community Care Act 1990 (see pp 29-35). Royal Assent: 29.6.90. Ch 19. HMSO, £10·65. ISBN 0 10 541990 7.

Pakistan Act 1990. Modifies certain enactments to take account of the re-admission of Pakistan as a member of the Commonwealth in October 1989. Royal Assent: 29.6.90. Ch 14. HMSO, 95p. ISBN 0 10 541490 5.

Pensions (Miscellaneous Provisions) Act 1990. Amends the law relating to certain public service pension schemes. Royal Assent: 24.5.90. Ch 7. HMSO, £2·50. ISBN 0 10 540790 9.

Planning (Consequential Provisions) Act 1990. Deals with transitional matters, repeals and amendments consequential to the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990 and the Planning (Hazardous Substances) Act 1990 (see below). Royal Assent: 24.5.90. Ch 11. HMSO, £5·80. ISBN 0 10 541190 6.

Planning (Hazardous Substances) Act 1990. Consolidates enactments relating to the control of hazardous substances made since the Town and Country Planning Act 1971. Royal Assent: 24.5.90. Ch 10. HMSO, £5·35. ISBN 0 10 541090 X.

Planning (Listed Buildings and Conservation Areas) Act 1990. Consolidates enactments relating to listing and conservation areas made since the Town and Country Planning Act 1971. Royal Assent: 24.5.90. Ch 9. HMSO, £7·65. ISBN 0 10 540990 1.

Property Services Agency and Crown Suppliers Act 1990 (see p 8). Royal Assent: 29.6.90. Ch 12. HMSO, £1·75. ISBN 0 10 541290 2.

**Representation of the People Act 1990.* Amends the arrangements for granting an absent vote to people who have changed addresses. Royal Assent: 26.7.90. Ch 32. HMSO, 55p. ISBN 0 10 543290 3.

**Rights of Way Act 1990.* Relates to footpaths across agricultural land and requires farmers to restore these rapidly if they are damaged by agricultural operations. Royal Assent: 13.7.90. Ch 24. HMSO, £2·10. ISBN 0 10 542490 0.

Social Security Act 1990 (see pp 87-8). Royal Assent: 13.7.90. Ch 27. HMSO, £7·65. ISBN 0 10 542790 X.

**Term and Quarter Days (Scotland) Act 1990.* Regulates the dates of certain religious festivals in Scotland. Royal Assent: 13.7.90. Ch 22. HMSO, 95p. ISBN 0 10 542290 8.

Town and Country Planning Act 1990. Consolidates planning enactments made in various pieces of primary legislation since the Town and Country Planning Act 1971. Royal Assent: 24.5.90. Ch 8. HMSO, £18·95. ISBN 0 10 540890 5.

Ministerial Changes

A number of ministerial changes were announced by the Prime Minister's Office in late July. These follow the resignation of the Secretary of State for Trade and Industry, the Rt Hon Nicholas Ridley, MP (see p 233). The Cabinet remains unchanged.

The new appointments are:

Privy Council Office
Minister of State (Minister for the Arts)
Rt Hon David Mellor, QC, MP (former Minister of State at the Home Office)

Ministry of Defence
Parliamentary Under-Secretary of State
Mr Kenneth Carlisle, MP (former Lord Commissioner of the Treasury – a Government Whip)

Department of Education and Science
Minister of State
Mr Timothy Eggar, MP (former Minister of State at the Department of Employment)

Parliamentary Under-Secretary of State
Mr Michael Fallon, MP (former Lord Commissioner of the Treasury – a Government Whip)

Department of Employment
Parliamentary Under-Secretaries of State
Mr Eric Forth, MP (former Parliamentary Under-Secretary of State at the Department of Trade and Industry)

Mr Robert Jackson, MP (former Parliamentary Under-Secretary of State at the Department of Education and Science)

The Viscount Ullswater (former Lord in Waiting – a Government Whip in the House of Lords)

Department of Energy
Parliamentary Under-Secretary of State
Hon Colin Moynihan, MP (former Parliamentary Under-Secretary of State at the Department of the Environment)

Department of the Environment
Parliamentary Under-Secretaries of State
Mr Robert Atkins, MP (former Parliamentary Under-Secretary of State at the Department of Transport)

Mr Patrick Nicholls, MP (former Parliamentary Under-Secretary of State at the Department of Employment)

The Lord Strathclyde (former Parliamentary Under-Secretary of State at the Department of Employment)

Foreign and Commonwealth Office
Ministers of State
Rt Hon The Earl of Caithness (former Paymaster General)

Mr Tristan Garel-Jones, MP (former Treasurer of the Household – Deputy Chief Whip)

Parliamentary Under-Secretary of State
Hon Mark Lennox-Boyd, MP

Home Office
Minister of State
Mrs Angela Rumbold, CBE, MP (former Minister of State at the Department of Education and Science)

Department of Trade and Industry
Ministers of State
The Lord Hesketh (former Parliamentary Under-Secretary of State at the Department of the Environment)

Hon Timothy Sainsbury, MP (former Parliamentary Under-Secretary of State at the Foreign and Commonwealth Office)

Department of Transport
Minister of State
The Lord Brabazon of Tara (former Minister of State at the Foreign and Commonwealth Office)

Parliamentary Under-Secretary of State
Mr Christopher Chope, OBE, MP (former Parliamentary Under-Secretary of State at the Department of the Environment)

HM Treasury
Financial Secretary
Hon Francis Maude, MP (former Minister of State at the Foreign and Commonwealth Office)

Paymaster General
Mr Richard Ryder, OBE, MP (former Economic Secretary)

Economic Secretary
Mr John Maples, MP

Her Majesty's Household (Whip's Office)
Treasurer of the Queen's Household (Deputy Chief Whip)
Mr Alastair Goodlad, MP

Comptroller of the Queen's Household
Sir George Young, MP

Vice-Chamberlain of the Queen's Household
Mr David Lightbown, MP (former Lord Commissioner of the Treasury – a Government Whip)

Lords Commissioners of the Treasury (Government Whips in the House of Commons)
Mr Sydney Chapman, MP (former Assistant Whip)

Mr Gregory Knight, MP (former Assistant Whip)

Mr Irvine Patnick, OBE, MP (former Assistant Whip)

Assistant Government Whips in the House of Commons
Mr Neil Hamilton, MP

Mr Timothy Boswell, MP

Mr Timothy Kirkhope, MP

An announcement about a further appointment to the office of Lord in Waiting (a Government Whip in the House of Lords) will be made in due course.

Resignations

The following ministers have tendered their resignations from the Government; their former posts are given in brackets:

Rt Hon Richard Luce, MP (Minister of State, Privy Council Office and Minister for the Arts)

The Lord Trefgarne (Minister of State, Department of Trade and Industry)

Rt Hon Peter Morrison, MP (Minister of State, Department of Energy)

Mr Michael Neubert, MP (Parliamentary Under-Secretary of State, Ministry of Defence)

Mr Peter Bottomley, MP (Parliamentary Under-Secretary of State, Northern Ireland Office)

Mr Anthony Durant, MP (Vice-Chamberlain of the Queen's Household)

Mr Peter Morrison, who resigned as a Minister of State at the Department of Energy, has been appointed Parliamentary Private Secretary to the Prime Minister.

Shorter Notes

EXECUTIVE AGENCIES

Executive agency status has been announced for ECGD (Export Credits Guarantee Department) and for some activities of the Inland Revenue and HM Customs and Excise. Under the Government's Next Steps initiative (see pp 156-7), 32 agencies were in operation by July, with a further 25 activities identified as suitable candidates for agency status.

On 19 July the Secretary of State for Trade and Industry, Mr Peter Lilley, stated that the immediate priority of ECGD (see p 22) was to prepare for the separation and sale of the Insurance Services Group. The remaining part would initially remain a government department. However, as it performed an essentially executive function, it was a candidate for agency status. ECGD was redefining its financial objectives and developing a more consistent methodology for market assessment and underwriting. Agency status would be further considered when experience had been gained about how the new arrangements were working.

On 26 July Mr Lilley announced that the Insurance Services Group would be sold by tender. Subject to securing the necessary legislative authority, the Government intended to vest the business of the Group in a government-owned company in April 1991 and to complete the sale as soon as possible thereafter.

On 25 July the Chancellor of the Exchequer, Mr John Major, announced that the Valuation Offices of the Inland Revenue would become an agency during summer 1991. (The Valuation Offices negotiate the valuation of land and buildings for central and local government; in England and Wales they also carry out the valuation of business property for rating purposes.) Agency status would increase their ability to focus on the work to be done and give their managers more responsibility and flexibility. The Chancellor also said that changes would be introduced to enable the remainder of the Inland Revenue to operate on Next Steps lines.

In the same announcement Mr Major stated that 95 per cent of the work – in terms of staff numbers – of HM Customs and Excise would be reorganised into executive units; it was aimed to have these in place by April 1991.

The Chancellor said that both departments had already made considerable improvements in management. He expressed his confidence that, by operating on Next Steps lines, they would continue to make improvements, which would lead, in turn, to enhanced levels of efficiency and service to the public.

Sources: *Hansard*, Vol 176, No 147, written answers, col 677; *Hansard*, Vol 177, No 151 (Part II), written answers, cols 409-10 and 239-42.

TELEVISING HOUSE OF COMMONS PROCEEDINGS

After a debate on 19 July on the first report of the House of Commons Select Committee on the Televising of Proceedings of the House (see p 296), the House of Commons voted by 131 to 32 in favour of the continued televising of its proceedings. The decision follows an eight-month experimental period, which started in November 1989 (see p 287, 1989).

During the debate, the Lord President of the Council and Leader of the House of Commons, Sir Geoffrey Howe, said that the experiment had been a success. Televising of Commons proceedings should become permanent and all but one of the 20 Committee members favoured this. Fears that the presence of cameras would lead to a fall in standards of conduct and to other undesirable changes in the way that the House carried on its business had proved unfounded. '[It] is difficult to sustain the argument that the basic character of the House as a lively, often intimate debating forum has been changed to any significant degree.'

Sir Geoffrey went on to say that the volume of coverage in the Chamber of the House had been much as expected, with the emphasis overwhelmingly on extracts used in news and current affairs programmes, while coverage of House committees had been greatly in excess of expectations. Most people saw the work of the House through news programmes and, as these were watched by millions, the extent to which televising of proceedings had opened up the Commons to a wider audience should not be underestimated. Nevertheless, the Committee regretted the lack of an evening round-up programme of the day's parliamentary business on any of the terrestrial channels. British Satellite Broadcasting (see pp 38-9, 1987) does present such a programme.

Rules of coverage – the types of shot that television directors are allowed to take – had been relaxed after about two months of the experiment to allow a wider range of reaction shots as well as group shots, and a second type of wide-angle shot had been made available to broadcasters for editorial purposes.

The report proposes that the current administrative and financial arrangements, under which broadcasters are largely responsible for funding the broadcasting of Commons proceedings, should remain until 31 July 1991. Sir Geoffrey said that he believed that the broadcasters should continue after that date to meet the major part of the costs of televising the Commons. In the meantime, details of a permanent televising system would be submitted to the House for approval by Easter 1991 to come into effect in autumn 1991. Whatever system was chosen, the House would retain control over the televising operation through the Select Committee and the Supervisor of Broadcasting. Subtitling and other facilities to assist deaf people to have proper access to televised broadcasts of the Commons would be under close consideration.

The Committee fully supported the idea of a 'dedicated' or separate channel devoted to continuous, unedited transmission of Commons proceedings, which should be provided as quickly as possible. An amendment to make permanent televising conditional on the existence of a fully operational dedicated channel within 12 months was defeated by 94 votes to 67.

Source: *Hansard,* Vol 176, No 146, cols 1223-76.

EXTERNAL AFFAIRS AND DEFENCE

Foreign Policy

A charter for freedom for all European citizens was proposed by the Prime Minister, Mrs Margaret Thatcher, in a speech in the United States on 5 August.

Addressing the Aspen Institute in Colorado, the Prime Minister said that Britain's destiny lay in Europe as a full member of the European Community. She would strive for a Europe based on co-operation between independent sovereign states and on economic freedom, rejecting bureaucratic central control and protectionism. The closest possible partnership between Europe and the United States would remain of 'supreme importance' to Britain. Mrs Thatcher praised the values of the United States and its leadership of the free world over the last 40 years. With the sudden collapse of communism (in Central and Eastern Europe), there was no longer a need to view the world through a prism of East-West relations.

Plan of Campaign

The Prime Minister said that the end of the cold war presented an opportunity, through the united efforts of the West, to shape a new global community based on true democracy and the rule of law. She believed communism to be 'plainly contrary to the human spirit', but recognised that the spread of democracy was not inevitable. Building democracy was a painstaking task and the difficulties of sustaining it were underestimated. Mrs Thatcher identified four fundamental tenets of true democracy:

1 a sense of personal responsibility and the realisation that individuals may influence their own destiny by their own efforts;

2 the limiting of the powers of government and the greatest possible individual freedom;

3 a strong rule of law; and

4 an economy based on market principles and a right to private property.

The challenge of spreading democracy and the rule of law was 'awesome', although the transition from authoritarian to democratic rule had been successfully achieved in countries such as Spain, Portugal, Chile and Nicaragua. Mrs Thatcher suggested a plan of campaign, envisaging a charter for freedom, the closer association of East and West in Europe, the greater involvement of the Soviet Union in the Western economy and continuing secure defence.

Charter for Freedom

The Prime Minister proposed that at the summit meeting of the Conference on Security and Co-operation in Europe (see p 159), to be held in the autumn, the participating nations could come to an agreement that would 'entrench, for every European citizen, including those of the Soviet Union, the basic rights which we in the West take for granted'. Freedom of speech, of worship, of access to the law and of the market place had to be enshrined. Similarly, there had to be freedom to participate in democratic elections, to own property, to maintain nationhood and freedom from 'fear of an overmighty state'.

Eastern Europe's Participation

The new democracies of Eastern Europe should be brought into closer association with the institutions of Western Europe, Mrs Thatcher continued. The European Community should accept Eastern European countries as members if they want to join, provided that their democracies were firmly rooted and when their economies are capable of sustaining membership. In the meantime they could be offered intermediate association agreements. The Prime Minister considered that the membership aspirations of the Eastern European countries should not delay the further development of the existing Community, particularly the completion of the single market in 1992. However, she thought that their efforts to join would be hindered by giving more powers to highly centralised, unaccountable Community institutions. The Community structure should accommodate and preserve the traditions, institutions and nationhood of the Eastern European countries, without introducing the divisive concept of first- and second-class Community membership.

Soviet Assistance

The Soviet Union needed practical assistance in applying policies of economic freedom in order to turn its abundant natural wealth to advantage. Mrs Thatcher thought that closer Soviet association with international institutions, such as the International Monetary Fund and the General Agreement on Tariffs and Trade should be encouraged. She also proposed Soviet involvement in the annual economic summit of the seven major industrialised nations (see pp 245-8).

Secure Defence

The Prime Minister emphasised that this proposed plan of campaign could be contemplated only as long as the West maintained a secure defence. The Soviet Union remained a formidable military power. Also, with the spread of ballistic missiles and chemical weapons (see pp 276-7), 'ugly situations' were ever likely to arise in other parts of the world. There was a continuing need for the North Atlantic Treaty Organisation and for the deployment of United States forces in Europe.

Issues for International Co-operation

Mrs Thatcher said that the costs of doing nothing to stop the further deterioration of the environment would be higher than those of taking preventive action now (see pp 222-3 and 256-8). 'Spending on the environment is like spending on defence – if you do not do it in time, it may be too late.' Action against the spread of drug misuse (see pp 186-91) and terrorism similarly required international resolve.

There was also a need for intensified economic co-operation. The Prime Minister warned against the danger of the world forming itself into 'inward-looking blocs of nations', encouraging protectionism and stifling trade. Concessions were necessary from all parties in the Uruguay Round of world trade negotiations (see pp 113-14), particularly on agriculture.

The economic problems of the developing countries were frequently compounded by political factors, such as bad government, corruption and the breakdown of law and order. Mrs Thatcher considered that these countries needed not only sustained help but also democracy and sensible economic policies in order to attract foreign investment. She said that there would be an 'unprecedented demand for the world's savings over the next decade', and that investment would go to those countries offering stability, a fair rate of return and a right to repatriate a reasonable proportion of profits.

Commenting on the role of the United Nations, Mrs Thatcher said that the Iraqi invasion of Kuwait (see pp 277-80) had defied every principle for which the organisation stood, and she concluded that it must assert its authority and impose a total economic embargo should Iraq not withdraw. The diminishing of East-West confrontation and the resolution of other longstanding problems presented 'an opportunity to rediscover the determination that attended the founding of the United Nations'.

Defence Policy

Possible restructuring of Britain's armed forces in the light of political and military changes in Europe was outlined by the Secretary of State for Defence, Mr Tom King, in the House of Commons in July.

Defence Secretary's Statement

In a statement on 25 July (*Hansard*, Vol 177, No 150, cols 470-3), Mr King said that the broad proposal being considered by the Ministry of Defence was for Britain to have smaller, better equipped, properly trained and well-motivated forces. They would need to be flexible and mobile, and able to contribute to the North Atlantic Treaty Organisation (NATO) and, if necessary, elsewhere. Britain would continue to have 'a robust defence' to insure against risks in Europe and 'worrying trends' outside Europe, not least the proliferation of sophisticated weapons.

Although the study, 'Options for Change', had identified ways in which this restructuring could take place, Mr King pointed out that the pace of change had to depend on a number of factors. These included the signing and implementation of a Conventional Forces in Europe (CFE) agreement (see p 159), a successful outcome to the Two-plus-Four talks on the unification of Germany, and the rate at which Soviet troops left Eastern Europe and other Soviet forces were reduced. The precise shape of Britain's contribution to NATO would also reflect discussions between the British Government and its allies.

Mr King explained that the Government was trying to devise a structure for Britain's forces appropriate to the new security situation while meeting essential peacetime needs. In a period of tension, this structure would be reinforced by drawing on volunteer reserves and reservists. Allowance had also been made to expand forces over a longer period should international circumstances require it.

Nuclear Forces

Britain would retain its strategic deterrent with four Trident submarines (see pp 160-1), Mr King said. In accordance with the NATO policy for an appropriate mix of nuclear and conventional forces, based in Europe (see pp 237-9), Britain would also need a sub-strategic nuclear force, provided by Tornado aircraft armed with nuclear missiles.

Defence of Britain

A comprehensive air defence force for Britain would be essential, Mr King stated. This would be provided by six air defence Tornado squadrons, supplemented by Hawk aircraft. Two Phantom squadrons would be disbanded. The home defence forces (more than 100,000 regular and reserve personnel) and the fleet of 40 counter-measures vessels to deal with mine-laying would be retained at their current level.

Defence of Europe

Although Britain would continue to play a full part in the defence of Europe (see p 162), Mr King said that, in the changed circumstances of the mid-1990s, British forces stationed in Germany could be approximately half of their existing strength. When reinforced from Britain, the Army could comprise two divisions rather than four as at present.

The number of RAF bases in Germany would be reduced from four to two, the Secretary of State explained. The Government envisaged six Tornado squadrons in Germany and Britain with nuclear and conventional roles in Europe. A force of Harrier aircraft and helicopters would be retained in Germany.

An amphibious force which would reinforce NATO's northern region would also be retained, as would Britain's air contribution to NATO's defence there.

Regarding Berlin, the Government envisaged a continuing contribution to the allied garrison (including an RAF contingent) while Soviet forces remained in East Germany.

Maritime Defence

Mr King pointed out that Britain's maritime contribution to NATO had to take into account that, although the Soviet navy had declined in size, it was being modernised, especially in submarines. Apart from retaining the Trident deterrent submarines, the Government proposed:

– the maintenance of three aircraft carriers and the updating of the Sea Harrier aircraft, and the continuing development (subject to satisfactory progress) of the EH101 helicopter;

– the retention of 40 destroyers and frigates (with the withdrawal of eight older vessels);

– a reduced submarine force of 16 boats (from the existing 27), of which 12 would be nuclear powered;

– two squadrons of dual-capable Tornados to replace Buccaneer aircraft in the anti-ship role; and

– a smaller force of Nimrod aircraft providing maritime patrol.

Other Roles

To deal with other contingencies, Mr King announced that a strategic reserve division of amphibious, parachute, airmobile and armoured formations would be established, with additional roles in Europe or in national defence. At the same time, Britain would continue to provide forces for dependent territories and overseas responsibilities – in the Falkland Islands, Cyprus, Gibraltar, Belize and (until 1997) Hong Kong – for as long as they were needed. The contribution in support of the police in Northern Ireland would also be sustained (see p 162).

Personnel

Under these proposals, the Government envisaged a reduction of 18 per cent in regular service personnel. By the mid-1990s the regular Army would be about 120,000, the Royal Navy and Royal Marines 60,000, and the Royal Air Force about 75,000 (see p 163). Civilians employed by the Ministry of Defence could also be reduced by the same proportion.

Cost

Mr King said that the cost of these proposals would be met within current published expenditure plans (see pp 70-1); steps had been taken to constrain expenditure within these plans.[1] His proposals would bring savings and reductions in the share of the gross domestic product taken by defence. He added: 'the new force structures . . . can give [Britain] strong and reliable defences, in changing circumstances, and at an affordable cost'.

[1] In July announcements were made of a cancellation of an order for 33 Tornados and the withdrawal by the end of 1990 of nine Royal Navy ships; army recruiting would also be limited during 1990-91.

Chemical Weapons

Challenge inspection would be a powerful means of assuring compliance with a chemical weapons convention, says a British paper tabled at the Conference on Disarmament in July.

British Statement

Introducing the paper at the Conference in Geneva on 12 July, Mr William Waldegrave, Minister of State at the Foreign and Commonwealth Office, pointed out that, although there was an expectation of rapid progress in conventional and nuclear arms control (see p 201), the search for a multilateral global ban on chemical weapons had already taken too long, with the latest negotiations lasting 25 years. The last multilateral agreement on chemical weapons had been the 1925 Geneva Protocol, which banned the use in war of chemical weapons, but not production and possession. Recent years had seen a spread of chemical weapons (see pp 263-4,1989).

Need for Verification

Mr Waldegrave said that the only hope lay in multilateral diplomacy at the Conference on Disarmament, which was the only forum for global arms control negotiations. Britain took the view that anything less than worldwide agreement on chemical weapons would not address the whole problem. It was therefore seeking clear and reliable assurances that all parties would abide by the terms of a convention. The top priority was an effective verification, and challenge inspection was the key to this, owing to:

– the secrecy and evasion traditionally surrounding chemical weapons; and

– the difficulty of recognising chemical weapons-related facilities and systems.

A rigorous, wide-ranging verification mechanism covering undeclared, as well as declared, facilities was needed as a safety net to provide confidence in treaty compliance by signatories. Although there were concerns about the implications for national security, a challenge inspection would be effective without putting security at risk.

Managed Access

The most suitable procedure would be managed access within the challenged site. Mr Waldegrave explained that this would take place after negotiation between inspectors and those inspected about how best to demonstrate compliance which would give the former the access they needed and the latter the protection they required. It would provide a wide spectrum of techniques, ranging from simple shrouding to rigorous methods of protection. A challenge inspection should be capable of addressing any serious concerns about declared or undeclared facilities; no sanctuary sites should be safe from inspection.

Challenge Inspection

Challenge inspection, continued Mr Waldegrave, should therefore be a regular element of the verification regime. At the same time, challenge inspection was not a licence to spy or a device to uncover commercial secrets. The inspection team would

have no automatic right to be told precisely what was going on in any plant that they visited. The inspectors' role was limited to satisfying themselves that, whatever else might be produced or stored on the site, the provisions of the chemical weapons convention were not being violated.

Mr Waldegrave recognised that a challenge inspection regime for a chemical weapons convention went further and was more all-embracing than any other arms control agreement. This was inconvenient but unavoidable if verification was to work.

British Paper

In 1988 and 1989 Britain undertook practice challenge inspections of a number of government facilities to assess the security implications of such inspections, to examine ways of demonstrating compliance while protecting legitimate security interests, and to draw lessons on how challenge inspections might be conducted (see p 264, 1989). In 1989 and 1990 Britain did further trial inspections of government-owned facilities, including conventional ammunition storage sites, an airforce base holding nuclear weapons, and a nuclear weapons research, development and component manufacture plant. Other establishments were visited to discuss the implications of challenge inspections. These were a sensitive communication centre and civil nuclear missile processing and research facilities.

The paper outlines the results of the latest experiments and concludes that the thoroughness of inspections at even the largest British sites, coupled with the degree of access provided at the most sensitive facilities, suggest that challenge inspection would be a powerful means of assuring compliance and of deterring contravention of a chemical weapons convention.

Managed Access Techniques

The paper says that there are no British sites which are so sensitive that the Government could not allow some form of access to an international challenge inspection team, provided that access was properly managed. There are a wide variety of managed access techniques to minimise the compromise of sensitive and classified information unrelated to chemical weapons as well as to improve access to relevant information to help the inspectors.

These techniques include routine measures, such as having a tested inspection plan for the removal of charts, papers and sensitive equipment, using shrouds (but kept at the minimum size possible) and instruments (such as X-ray equipment), and sampling of material, equipment and munitions. For exceptional measures to cover more sensitive sites, Britain has developed a system of random selective access whereby only a given percentage of buildings within a site or part of a site, and/or a given percentage of rooms within a building and/or items within a room are available for inspection at the inspector's choice.

Countries would need to have detailed national guidance for all sites in order to deal with challenge inspection. At sensitive sites, inspections could only be accepted under strictly managed access. At most sites an inspection would be most effectively managed by closing down all non-essential activities.

Although inspections at sensitive sites might uncover some information unrelated to chemical weapons which the challenged country might prefer to shield, the paper says that this possibility ought to be reviewed in the context of the gains to a state's national security from more effective assurance of compliance with the chemical weapons convention following from such access.

Other details in the British paper cover the period of notice of inspection (estimated to be up to 48 hours), the need to have accurate definition of a challenged facility, and the size and composition of the inspection teams.

Iraq's Invasion of Kuwait

In line with United Nations Security Council resolutions, Britain has imposed economic sanctions against Iraq following that country's invasion and occupation of Kuwait on 2 August. Along with the United States and other countries, it is contributing naval and airforce units to a multinational defence force in the Gulf region to defend Saudi Arabia and other threatened states.

Background

For just over 60 years until its independence in June 1961 Kuwait was a British protectorate. Before that it had been under Turkish suzerainty. Shortly after independence Iraq laid claim to the whole of Kuwait, arguing that it had been an integral part of Basra province under Turkish rule and that Iraq had succeeded to Turkish sovereignty after the end of the first world war in 1918. Fearing an Iraqi invasion, Kuwait requested assistance from Britain, which sent troops in 1961. These were later withdrawn and replaced by troops from Arab League countries, who left the country at the Kuwaiti Government's request in 1963. In October 1963 Iraq recognised Kuwait as a sovereign state.

Iraq, however, maintained its claims to certain parts of Kuwaiti territory, notably the islands of Warbah and Bubiyan in the Gulf and the land border area incorporating the southern tip of the Rumaila oilfield. In 1973 Iraqi forces occupied a border post but later withdrew. In 1975 Iraq proposed the leasing to Iraq by Kuwait of parts of Bubiyan and the ceding of Warbah in return for Iraqi recognition of Kuwait's land borders. In response Kuwait stressed that the two islands belonged to it. In 1981 Iraq repeated its 1975 proposal.

During the Gulf war between Iraq and Iran in the 1980s, Kuwait supported Iraq and provided substantial war loans.

In mid-July 1990 Iraq demanded financial as well as territorial concessions from Kuwait. In need of higher oil revenues from oil production to finance post-war reconstruction, Iraq accused Kuwait of depressing the world price of crude oil by exceeding production quotas agreed by the Organisation of Petroleum Exporting Countries (OPEC). Iraq further

demanded reparation for 'stolen' oil revenues and the cancellation of Kuwaiti war loans. Mediation by Egypt and other Arab countries proved unsuccessful. Claiming to have responded to a request from the 'Provisional Free Kuwait Government', Iraq invaded and occupied the whole of Kuwait on 2 August, deposing the ruling royal family and installing its own regime. Iraq announced the annexation of Kuwait on 8 August.

INTERNATIONAL REACTION

United Nations

On 2 August the United Nations Security Council adopted a resolution, No 660 (1990), condemning the Iraqi action. Co-sponsored by Britain and a number of other UN members, including the United States, Canada and France, the resolution demanded the immediate and unconditional withdrawal of the invasion forces and called for a negotiated settlement. The resolution was supported by the five permanent members – Britain, France, the People's Republic of China, the Soviet Union and the United States – and by nine of the other ten members. Yemen did not take part in the vote.

British View

Speaking on 2 August, the Foreign and Commonwealth Secretary, Mr Douglas Hurd, said that the Iraqi action was 'a clear case of aggression'. Britain considered that Iraq should be given two days to comply with the Security Council resolution or face collective measures from the international community. To that end, he said, Britain was already in touch with its allies and partners. He announced that, at the request of the Kuwaiti ambassador, Britain was freezing immediately Kuwaiti assets in Britain to prevent their transfer to the Iraqi-installed regime.

On the same day the Prime Minister, Mrs Margaret Thatcher, who was visiting the United States, said that Iraq had 'violated and taken over the territory of a country which is a full member of the United Nations'. Iraq's action was 'totally unacceptable' and a violation of international law. Addressing the Aspen Institute in Colorado on 5 August (see p 275), she said that the United Nations had to assert its authority and apply a total economic embargo should Iraq not withdraw. She considered that 'a vital principle is at stake: an aggressor must never be allowed to get his way'.

European Community

Britain and the other members of the European Community issued a statement on 3 August denouncing Iraqi aggression as a threat to peace and stability in the region. They strongly condemned the use of force, fully supported Security Council resolution 660 and said that they would consider further initiatives to effect an Iraqi withdrawal. In a further statement on 4 August member states adopted a series of measures against Iraq. These included:

– an embargo on oil imports from Iraq and Kuwait;

– the freezing of Iraqi assets in the territory of member states;

– an embargo on sales of arms and other military equipment to Iraq;

– the suspension of any military co-operation with Iraq;

– the suspension of technical and scientific co-operation with Iraq; and

– the suspension of trade concessions to Iraq.

Member states also hoped that initiatives by the Arab states would contribute to a resolution of the crisis. The position of member states' nationals in Iraq and Kuwait would be carefully monitored.

On 7 August Community regulations implementing the sanctions came into effect.

United States-Soviet Statement

On 3 August the United States and the Soviet Union issued a joint statement condemning the 'illegal invasion' of Kuwait as an action against the fundamental principles of the UN Charter and international law. The Security Council resolution had to be completely and immediately implemented. The statement continued: 'The sovereignty, national independence, legal authority and territorial integrity of the Kuwaiti state must be completely restored and guaranteed.'

The statement appealed to the international community to join them in halting all arms deliveries to Iraq. It noted that the Soviet Union was suspending arms deliveries and that Kuwaiti and Iraqi assets in the United States had been frozen. The joint statement concluded: 'Governments which resort to flagrant aggression must know that the international community cannot and will not reconcile itself to aggression or assist in it.'

Arab and Other Reactions

Meeting in Cairo on 3 August, the Gulf Co-operation Council – Bahrain, Kuwait, Saudi Arabia, Qatar, United Arab Emirates and Oman – condemned the Iraqi invasion and called for the immediate and unconditional withdrawal of Iraqi forces. On the same day the ministerial council of the Arab League condemned Iraq's action and affirmed the need to preserve the sovereignty and territorial integrity of member states. It also rejected any foreign intervention or attempt to intervene in Arab affairs. Fourteen League members endorsed the resolution while six others did not. The foreign ministers of the Islamic Conference Organisation also condemned Iraq's aggression and called for an immediate withdrawal of Iraqi forces; six countries did not approve the resolution and two others did not take part in voting.

Egypt, Iran and Syria called for complete Iraqi military withdrawal. Similarly critical reaction came from Japan, which on 5 August suspended all trade with Iraq. On 5 August China announced an embargo on arms sales to Iraq.

UNITED NATIONS SANCTIONS

Because of Iraq's failure to comply with resolution 660, the UN Security Council imposed mandatory economic sanctions against Iraq at a further meeting on 6 August. Resolution 661 (1990), co-sponsored by Britain and others, was approved by 13 votes to 0, with Yemen and China abstaining. The

resolution called for:

– a ban on all imports of commodities and products originating in Iraq or Kuwait (predominantly oil);

– a ban on the sale or supply of any commodities and products to either country, including arms and military equipment but excluding medical supplies and, in humanitarian circumstances, foodstuffs; and

– the denial by all states of funds or any other financial or economic resources to the Iraqi Government or to any commercial, industrial or public utility undertaking in Iraq or Kuwait.

All states, including non-members of the United Nations, were called upon to act strictly in accordance with the provisions of the resolution. A Security Council committee would monitor the progress of the resolution's implementation and would seek further information from all states regarding their individual actions. The assets of the legitimate Government of Kuwait and its agencies were to be protected and no regime set up by the occupying forces was to be recognised. A progress report on the implementation of the resolution would be submitted to the Security Council by the Secretary-General within 30 days.

In his statement to the Security Council on 6 August, the British Permanent Representative, Sir Crispin Tickell, stressed the need for a framework for international action to secure Iraqi compliance with resolution 660 and said that this was provided by resolution 661. Economic sanctions would remain in force while resolution 660 was not complied with. He said that the Security Council had a particular responsibility for small and vulnerable states and that practical action was required against Iraq. The Council needed to set a new precedent for the better management of a world order based on respect for law, sovereignty and territorial integrity.

Meeting again on 9 August, the UN Security Council condemned the Iraqi annexation of Kuwait announced on the previous day. Resolution 662 (1990) described the annexation as 'null and void' and called upon all states and international organisations 'not to recognise that annexation and to refrain from any action or dealing that might be interpreted as an indirect recognition of that annexation'.

Iraq closed its borders and told all foreign embassies in Kuwait to move to the Iraqi capital of Baghdad.

MILITARY AND DIPLOMATIC ACTIVITY

United States Action

On 7 August the United States President, Mr George Bush, announced that, at the request of King Fahd of Saudi Arabia, the United States was sending troops and aircraft to Saudi Arabia as a defensive measure in response to a military threat from Iraq.

In a further statement on 8 August, Mr Bush denounced Iraq's aggression, which had followed Iraqi assurances to neighbouring countries that there would be no invasion of Kuwait. He defined four principles guiding US policy:

– the immediate, unconditional and complete withdrawal of Iraqi forces from Kuwait;

– the restoration of Kuwait's legitimate government;

– the maintenance of security and stability in the Gulf; and

– the protection of United States citizens abroad.

Stressing that the problem was a world one, Mr Bush said that sanctions, now enshrined in international law, had the potential to deny Iraq the 'fruits of aggression'. He pledged that the United States would do its part to ensure the effectiveness of the sanctions.

Mr Bush recognised that Iraq might not stop using force to advance its ambitions given the presence of its enormous war machine on Saudi Arabia's border. The United States considered the sovereign independence of Saudi Arabia to be 'of vital interest' and was responding to the Saudi request for assistance. United States forces would not initiate hostilities but would defend themselves and Saudi Arabia. The President also called on oil-producing nations to try to increase production in order to minimise any impact that oil-flow reductions would have on the world economy.

British Measures

Following an emergency meeting of a Cabinet committee on 8 August, the British Government said that it would contribute forces 'to a multinational effort for the collective defence of the territory of Saudi Arabia and other threatened states in the area and in support of the United Nations embargo'. The statement added: 'We are in urgent touch with the United States, our other allies and our friends in the Gulf on the contribution which we can best make in response to a request [for assistance].'

Commenting on the Government's decision, Mr Hurd said that a request for British assistance had come from King Fahd. The assistance would take the form of defensive naval and air forces and would contribute to deterring an Iraqi attack either on Saudi Arabia or on other threatened states in the area. The international community had not accepted Iraq's aggression, and any further act of aggression would be 'extremely expensive, damaging [and] destructive for Iraq'.

British Deployments

Giving details of the British deployments on 9 August, the Secretary of State for Defence, Mr Tom King, said that a squadron of Tornado air defence fighters would be sent from Cyprus to Saudi Arabia and that they would be accompanied by Rapier surface-to-air missiles to provide short-range air defence. Also being sent was a squadron of 12 Jaguar ground attack/fighter aircraft. Support would be provided by VC10 tanker and Hercules transport aircraft. Maritime patrol Nimrod aircraft would also form part of the British contribution. Three minehunters would be stationed initially in the eastern Mediterranean. The Armilla patrol in the southern part of the Gulf was being strengthened to include two frigates, a destroyer and a supply ship.

Mr King explained that the units would initially be under British command but that detailed discussions would be held on command and control arrangements for the multinational force. He stressed that British forces were going 'purely for defensive

purposes to support a multinational effort' and 'to protect the integrity of Saudi Arabia and other threatened states in the area'.

On the role of the Armilla patrol, Mr King said that there was a need for effective enforcement of UN economic sanctions. Britain was considering ways in which this could be achieved and would be in discussion with its allies.

Commenting on the possible use by Iraq of chemical weapons, Mr King said that these were 'a vile and obscene weapon' and Britain would take 'a very grave view indeed' if such weapons were used against its forces. British troops would have the right equipment to protect themselves against chemical attack.

On 14 August Britain announced that four additional support vessels would be sent to the Gulf and Mediterranean regions. In addition, a signals regiment is being stationed in the Gulf to provide communications services for British forces.

The Government of Kuwait has requested Britain to take steps to ensure the effective implementation of the UN sanctions against Iraq. Giving details on 13 August, Mr William Waldegrave, Minister of State at the Foreign and Commonwealth Office, said that, under Article 51 of the UN Charter providing for the inherent right of individual and collective self defence, the Royal Navy would be able to board ships and prevent Iraqi cargo from being either loaded or off-loaded.

Other Countries' Contributions

A number of other countries are sending military forces to the Gulf region. For example, France is sending a task force, headed by an aircraft carrier, which will remain under French command and separate from the United States operation. The Federal Republic of Germany has agreed to send four minesweepers to the Mediterranean to replace US vessels leaving for the Gulf. Canada is sending three ships to the region, as is the Australian Government.

North Atlantic Treaty Organisation Meeting

Meeting in Brussels on 10 August, North Atlantic Treaty Organisation (NATO) foreign ministers affirmed their support for the UN Security Council's condemnation of the Iraqi invasion, for the comprehensive embargo against Iraq and for the rejection of the annexation of Kuwait.

In a statement issued after the meeting, the Secretary-General, Herr Manfred Wörner, said that the ministers had expressed support for current Arab efforts to find a political solution. He added that the sovereignty and independence of Kuwait had to be re-established and that of other states in the region respected. Iraqi forces had to be withdrawn.

Herr Wörner said that the Alliance had called on Iraq to allow all citizens of foreign countries to leave Iraq and Kuwait. Member states supported the despatch of United States, British and French military forces to the Gulf in response to requests from the Saudi Government. Member states would contribute, 'each in its own way', to stopping further Iraqi aggression. Solidarity was expressed with Turkey as the only NATO member with a common border with Iraq. On 7 August Turkey announced that it would abide by the Security Council resolution on sanctions. This means that the flow of Iraqi oil through two pipelines running from Iraq via Turkish territory to the Mediterranean has ceased.

European Community Position

In a declaration on 10 August, European Community foreign ministers rejected Iraq's annexation of Kuwait as contrary to international law and hence null and void. They similarly rejected any attempt by Iraq to exert powers of government within the territory of Kuwait, including the Iraqi request for the transfer of diplomatic missions from Kuwait to Baghdad. The Community welcomed the international solidarity behind the UN Security Council action against Iraq. Member states confirmed their readiness to take further initiatives within the framework of the UN Charter to contain the conflict and noted steps already taken by some member states to that end. Support was expressed for the efforts of Arab states aimed at defusing tensions and restoring international legality. Concerned for the position of foreigners in Kuwait and Iraq, member states were pressing for the freedom of movement within and out of those countries for Community citizens. The Iraqi authorities would be held accountable for their safety.

Arab League Summit

An emergency summit meeting of Arab League members was held in Cairo on 10 August, which failed to find a diplomatic solution to the crisis. Of the 20 countries attending (Tunisia was absent), the majority, including Egypt, Syria and Morocco, backed a resolution to send a pan-Arab force to defend Saudi Arabia and other Gulf states against foreign attack. They also voted in favour of imposing economic sanctions against Iraq. Jordan expressed reservation about the resolution, which was rejected by Libya, Iraq and the Palestine Liberation Organisation. Egypt, Syria and Morocco are sending troops to Saudi Arabia.

British Citizens

There are an estimated 4,000 British citizens in Kuwait and some 650 in Iraq.

On 8 August Mr Hurd said that he had sent a message to the Iraqi foreign minister stressing 'in very plain terms the responsibility which the Iraqi Government has for the safety of British citizens both in Iraq and Kuwait so long as Kuwait is under Iraqi military occupation'.

Two days later a Foreign and Commonwealth Office spokesman reported that the Iraqi authorities had told diplomats in Kuwait that Western European, Australian, Canadian and United States citizens would not be able to leave Kuwait. Iraq had also stated that diplomatic missions in Kuwait should be closed and their activities moved to Baghdad.

On 11 August a British citizen, Mr Douglas Croskery, was shot dead while attempting to escape from Kuwait to Saudi Arabia. A statement issued by the Foreign and Commonwealth Office described his death as a 'barbaric crime' and called upon Iraq to fulfil its obligations by ensuring the safety of British nationals and allowing them to return home.

German Unification

At a meeting in Paris on 17 July, Britain, France, the Soviet Union and the United States agreed with the Federal Republic of Germany, the German Democratic Republic and Poland a solution of the problem of Poland's border with a unified Germany. Earlier, on 16 July, the Soviet Union accepted that a unified Germany would join the North Atlantic Alliance.

Paris Meeting

The foreign ministers from the four wartime powers (Britain, France, the Soviet Union and the United States) and from the two German states (see pp 169-70) reached general agreement with Poland on the issue of Poland's border with Germany. The existing Oder-Neisse line would be confirmed in a treaty signed by Poland and a unified Germany. A second treaty between the two states would be negotiated covering all other aspects of the Polish-German relationship. The results of the Two-plus-Four negotiations – which would include the legal instruments for ending the four wartime powers' rights in Germany, a statement on Germany's borders and a formal endorsement of a border treaty between Germany and Poland – would be signed before a Conference on Security and Co-operation in Europe meeting in November 1990.

Soviet-German Statement

In a joint statement on 16 July, the Soviet President, Mr Mikhail Gorbachev, and the West German Chancellor, Herr Helmut Kohl, agreed that a unified Germany could become a member of the North Atlantic Treaty Organisation (NATO). They also agreed that:

– a unified Germany would conclude a treaty with the Soviet Union for the withdrawal of Soviet troops from East Germany, to be completed within three or four years;[1]

– the responsibility and powers of the four wartime allies over Germany would be abrogated once Germany was unified;

– during the Soviet withdrawal, the forces of a unified Germany, based in territory of East Germany, would remain outside the NATO military structure;

– allied forces would remain in Berlin during this period; and

– total German forces would be cut within three or four years from 600,000 to 370,000. These reductions would take place after the implementation of a treaty reducing conventional arms in Europe (see p 159).

The two leaders also agreed that a unified Germany would renounce the manufacture and possession of nuclear, chemical and biological weapons and become a party to the Non-Proliferation Treaty.

Overseas Aid

Details of Britain's aid to developing countries in 1989 are outlined in the annual review of the Overseas Development Administration published in July (see p 296).

[1]Presently, there are 380,000 Soviet troops in the German Democratic Republic.

BRITISH AID PRIORITIES

The aim of Britain's aid policy, the review says, is 'to help poor countries to help themselves in achieving self-sustaining growth and in developing their own societies in their own way'. Aid is concentrated on those countries that most need it and can make best use of it. Support is given to economic reform involving greater use of markets and competition and a more prominent role for the private sector.

In 1989, £120 million was provided, mostly to sub-Saharan Africa, in support of such reform. The private sector is assisted directly through, for example, the Commonwealth Development Corporation, which invests in commercial projects.[1] Greater emphasis is being given to global and local environmental issues by helping developing countries to improve the efficiency of power supply and use and by assisting forestry conservation. Over the next three years an additional £100 million for forestry activities is being committed.

Another priority is support for multilateral programmes designed to reduce high population growth rates, which are adding to pressure on inadequate health, education and social services and on land resources.

Net Aid Flows

Total British net aid flows in 1989 were £2,252 million; of these, official development assistance was £1,576 million, other official flows £280 million and total private flows – including those made by voluntary agencies – £396 million. The net overseas development assistance (the measure agreed internationally for presenting aid statistics) was 0·31 per cent of gross national product (GNP). Net private and official flows amounted to 0·45 per cent of GNP.

Bilateral and Multilateral Aid

Gross public expenditure on overseas aid was £1,787 million in 1989, compared with £1,666 million in 1988. Table 1 shows the breakdown into bilateral and multilateral aid.

Table 1
Gross Public Expenditure

	1988 *£ million*	1989 *£ million*	1989 *%*
Bilateral			
Country programmes	810	919	51·4
Sectoral programmes	129	130	7·3
Multilateral aid	657	674	37·7
Administrative costs	47	48	2·7
Pensions	22	15	1·0
Total	1,666	1,787	

Note: Differences between totals and the sums of their component parts are due to rounding.

Table 2 shows the breakdown of bilateral aid by region.

[1]At the end of 1989 the Corporation invested in over 270 projects; its commitments exceed £1,000 million.

Table 2
Bilateral Aid by Region

£ million

	1988	1989
Africa, north of Sahara	20	13
Africa, south of Sahara	406	497
Caribbean	48	67
Latin America	22	23
Middle East	14	14
Asia, South	208	231
Asia, Far East	82	70
Europe	13	5
Pacific	35	31
Unallocable	160	162
Total	1,008	1,111

Note: Differences between totals and the sums of their component parts are due to rounding.

Of this bilateral aid, 71 per cent went to Commonwealth countries in 1988 and 75 per cent in 1989.

About 38 per cent of British aid was contributed to international organisations, such as the European Community, the World Bank, the United Nations agencies, and the regional development banks.

Table 3 shows the main parts of this aid.

Table 3
Gross Multilateral Aid 1989

£'000

European Community	304,513
World Bank group	202,886
United Nations	119,427
Regional development banks	31,310
Research organisations	7,090
Other organisations	9,269
Total	674,495

The largest single element is the contribution to European Community programmes – £305 million or 45 per cent of the multilateral aid programme. In 1989 the Lomé Convention between the Community and 68 African, Caribbean and Pacific states was renegotiated. This provides Community aid and trade concessions worth up to £8,500 million over the next five years. Britain's contribution will be some £1,300 million, its largest ever single aid commitment.

The ninth replenishment of the International Development Association (IDA) was agreed in December 1989. This raised US$15,000 million for the three years from 1991 and Britain's contribution will be £619 million. The IDA provides interest-free loans to developing countries unable to receive service loans on conventional terms.

Britain is making a major contribution to the International Monetary Fund's Enhanced Structural Adjustment Facility. The Facility was established in 1988 to lend up to £4,500 million to the poorest countries on highly concessional rates of interest – that is, 0·5 per cent. Britain's pledge of £327 million over 14 years makes it the largest contributor to the Facility's interest subsidy account.

BRITISH AID IN ACTION

Health and Population

British aid helps to bring cheap health care services to the poorest sections of communities, particularly mothers and children. In 1989 Britain concentrated on trying to lower fertility by increasing the quality of family planning services. Another programme is extending health services to five new districts in the poorer and most remote regions of Orissa state in India. These provide immunisation against major killer diseases, such as measles, tetanus, whooping cough and polio. Advice is given on oral rehydration therapy to tackle dehydration resulting from diarrhoea.

Britain is a major contributor to World Health Organisation (WHO) programmes, such as the Special Programme for Research and Training in Tropical Diseases (TDR) which is concerned with better diagnosis, prevention, treatment and control of six tropical diseases. By March 1989 just over 320 research and development projects in Britain had been financed by the TDR, 240 trainees had been trained in British institutions and 262 British scientists had participated in TDR meetings.

The WHO also organises technical co-operation designed to promote, co-ordinate, conduct and evaluate research in human reproduction. It conducts research on the safety and efficacy of contraceptives and on the development of new and improved methods of contraception. A report on the programme published in November 1989 showed that:

1 one-third of the trainees supported so far had received their training in Britain; and

2 almost half of social science trainees had studied in Britain.

Britain also contributed to the WHO programmes designed to control the spread of AIDS in Africa and the Caribbean.

Women in Development

Because women are essential to development in poor countries, their needs affect all parts of the British aid programme. The Overseas Development Administration (ODA) seeks more projects to further women's interests and is reducing bias against women in training programmes and in the recruitment of experts and consultants.

In Tanzania the ODA is funding a training programme designed to encourage women's participation in the decision-taking levels of the civil service. Bradford University, supported by the ODA, will be running a series of special courses for women in the public administration systems of Tanzania, Uganda and Kenya. Britain is supporting a functional literacy programme for women in Ghana. It involves the training of large numbers of women volunteers and will cover areas such as business skills.

Basic Infrastructure

Considerable aid funds are devoted to the development of clean water and sanitation. Improvements in irrigation are encouraged by ODA grants to the Overseas Development Unit at Hydraulics Research

Limited. This unit has developed and tested a microcomputer-based system for supplying required quantities of water to farmers.

Britain is co-financing with the Asian Development Bank a major electricity distribution project in Bangladesh. An important component of the project is the reduction of losses in the urban distribution network. Some £17 million is being given under the Aid and Trade Provision in support of a hydroelectric project in Kashmir. Some £10 million is being made available to India for a power distribution project in Kanpur. A major water supply project in Karachi is being supported by the ODA and the Commonwealth Development Corporation.

The funding of transport research is another aspect of British assistance to infrastructure. This is undertaken by the Overseas Unit of the Transport and Road Research Laboratory. Projects cover planning, design, construction and maintenance of roads, as well as the safety and operation of vehicles. Current projects include an assessment of the Pakistani freight transport industry and the use of cheaper, naturally occurring local materials in road pavements.

Renewable Natural Resources

One of the ODA's main objectives is the promotion of sustainable development and the protection of the environment. In March 1989 it introduced a manual for project managers setting out the procedure for taking the environment into account at all stages of project selection, design and implementation. Another manual for use in the ODA outlines the principles to be used in valuing the environmental aspects of projects.

Britain is helping to promote the sustainable use of forests. At the end of 1989 some 115 forestry projects were being financed and a further 50 were in preparation. In 1989 Britain agreed to provide £40 million to India to cover the local costs of certain projects (see p 133, 1989). The Government is also working closely with, and financing, forestry projects run by non-government bodies such as the World Wide Fund for Nature and Oxfam; 38 such projects were agreed by the end of 1989.

The International Tropical Timber Organisation is being assisted on the development of guidelines regarding the sustainable commercial development of forests.

Britain's forestry programme is dealing with the problems of deforestation and the burning of forests, one of the main sources of greenhouse gases in developing countries. Some £15 million is being given in support for hill agriculture centres in Nepal. These centres develop and test new varieties and farming methods in the ecologically fragile hill areas of the country.

Some £13 million was spent in 1989 on improving productivity of renewable natural resources. ODA policy is to identify areas where research is most likely to contribute cost-effectively to sustainable development and to improve research management. The ODA's Natural Resources Institute aims to increase the productivity of renewable natural resources by applying science and technology. Its main areas of expertise are resource assessment and farming systems, pest management, food science and crop utilisation.

Economic Reform in Africa

During 1989 more than half the countries of sub-Saharan Africa were following economic reform programmes supported by finance and advice from the International Monetary Fund (IMF) and the World Bank. These 'adjustment' programmes are designed to reduce inflation and balance of payments deficits and to raise economic growth rates by encouraging savings, investment and more efficient use of resources. Britain has committed £250 million to the World Bank-led Special Programme of Assistance for low-income indebted countries. These receive nearly all their World Bank and IMF finance on highly concessional rates of interest. During the year 13 countries had their government debts rescheduled under new concessional terms agreed for the poorest countries at the Toronto Economic Summit (see p 233, 1988).

Humanitarian Assistance

Almost £65 million was spent in disaster relief, help for refugees and food aid for emergencies. By the end of 1989 some £18·4 million had been committed to combating the effects of famine and civil war in Ethiopia. The United Nations has designated the 1990s as a decade in which to reduce loss of life, damage and disruption caused by natural disasters. The most ambitious project is the international effort to help Bangladesh overcome cycles of flooding. In December 1989 Britain organised with the World Bank a major conference which drew together the plans of a number of donor countries for tackling this major problem. Britain is also helping to prevent and to prepare for disasters in the Third World.

Shorter Note

CO-OPERATION WITH CZECHOSLOVAKIA

Under a memorandum of understanding, signed by the Foreign and Commonwealth Secretary, Mr Douglas Hurd, and the Czechoslovak Government during his visit to Czechoslovakia on 23 and 24 July, Britain and Czechoslovakia will co-operate in combating terrorism, drugs and other serious crimes. The agreement provides for the rapid exchange of information about drug trafficking so that police, Customs and other appropriate agencies can act quickly to intercept drugs and dealers.

During Mr Hurd's discussions with Czechoslovak ministers about priorities for projects to be financed under Britain's 'know-how' fund (see p 131), it was agreed that the first priority was for a team of British specialists to be sent to advise the Czechoslovak Government on its programme to privatise industry.

Another priority discussed was Britain's intention, through the British Council, of retraining 200 Czechoslovak teachers of Russian to teach English

(see pp 459-61, 1989). Britain is also to consider establishing a British Council headquarters in Bratislava to expand its work on student and cultural exchanges and on English teaching in Slovakia. In addition, Britain will start an intensive course in English for staff of Czechoslovak financial institutions.

Source: Foreign and Commonwealth Office news release, 24.7.90.

ECONOMIC AND SCIENTIFIC AFFAIRS

Local Government Finance

The Government has announced a review of the community charge and has set out its proposals for the 1991-92 local authority financial settlements.

The Secretary of State for the Environment, Mr Chris Patten, announced the review and the financial settlement for England in the House of Commons on 19 July (*Hansard*, Vol 176, No 146, cols 1185-9). The settlements for Wales and Scotland were also announced in the House – by the Secretary of State for Wales, Mr David Hunt, on 23 July (*Hansard*, Vol 177, No 148, cols 52-4) and the Secretary of State for Scotland, Mr Malcolm Rifkind, on 25 July (*Hansard*, Vol 177, No 150, cols 489-90).

Review of Community Charge

Announcing the community charge review for England, Mr Patten said that the basic principle of the charge was that people should make a direct contribution to the cost of local services through a charge levied on almost all adults. The principle had been increasingly accepted, 'but it would be surprising if a change of this magnitude did not require some adjustments in its second year of operation'. The proposals for change mainly concerned the standard community charge, business rates, 'safety nets' and transitional relief.

Standard Community Charge

Mr Patten said that the standard community charge, which applied to domestic property that was not a sole or main residence, had given rise to a great deal of concern. He was of the view that owners of such properties should contribute towards the cost of local services. The Government had given local authorities wide discretion in the setting of the standard charge, but it was 'disappointing that many have not used this discretion sensibly'. The Secretary of State therefore proposed changes for 1991-92 so as to reduce the maximum charge that could be levied in a number of exceptional cases. Among the groups who would benefit were:

- people whose job required them to live in a particular property;
- people who had an empty flat over a shop which it would be difficult to let; and
- students who, although entitled to a reduction in their community charge, faced a double charge if they owned a home elsewhere.

There was also a proposal to help sellers of property by extending the period during which such property was subject to a zero standard charge.

Business Rates

Mr Patten referred to the concern expressed about the position of owners of small businesses who lived 'over the shop'. The fact that they paid the community charge as well as business rates was not, he said, an anomaly; all adults had to pay the community charge and rates were payable on all business property. 'It would therefore be inappropriate to change the fundamental liability for either the community charge or the business rate for people who happen to live on their business premises.' Nevertheless, the Secretary of State recognised that this group might need more time to adapt to the higher bills that they now faced. He therefore proposed to amend the transitional arrangements for the business rate on these 'small composite hereditaments'. From 1991-92 the annual increase in their business rates would be limited to 10 per cent in real terms instead of the current maximum of 15 per cent. This would help the occupiers of 95,000 properties in England.

Safety Nets

Mr Patten explained that the safety net system was designed to protect people in areas where the ending of cross subsidies under the old rating system had led to large changes. Safety net support was paid for by central government. He now proposed that, in areas where support was highest, it be withdrawn in 1991-92 more slowly than previously intended – at a maximum rate of £25 per adult per year. This would help almost 3·5 million people living in areas where support in 1990-91 was more than £100 per adult.

Transitional Relief

The Secretary of State went on to outline a substantial increase in community charge transitional relief in 1991-92. The scheme had been designed to help former ratepayers, as well as pensioners and disabled people who had not been ratepayers, who faced large increases in their bills following the introduction of the new system. Help would be directed typically at people who occupied properties which had had a low rateable value. Local authorities would be required to award relief in such a way that most households faced a rise of no more than £2 – instead of the existing £3 – a week as a result of the switch from domestic rates to the com-

munity charge. This lowering of the threshold would bring almost another 4 million people into transitional relief. In addition, the phasing out of relief would be postponed for two years and the life of the scheme itself extended by two years to 1994-95.

Wales and Scotland

Broadly similar proposals for change apply to Wales (although there is no safety net system there). In Scotland reform will be focused on transitional relief.

Financial Settlements

England

Mr Patten said that for 1991-92 the Government was setting local authorities' standard spending assessment (SSA – the Government's estimate of how much it should cost to provide a standard level of service) at £39,000 million. This was over 7 per cent more than likely spending in 1990-91 and 'should adequately fund local authority services next year, taking account of the additional pressures and burdens local government will face and the scope for improved efficiency'.

Most local authority spending was financed by aggregate external finance – central government grants and the business rate. In 1991-92 this would amount to £26,050 million. It was 12·8 per cent above the 1990-91 figure, which meant that the Government would have to reduce its expenditure on other programmes. Mr Patten expected authorities to pass on the benefit in the form of lower bills rather than to increase spending again.

In 1990-91 the average community charge after 'capping' (see pp 174-5) was £357. In 1991-92 the charge as dictated by the SSA would be about £379. Efficient authorities, as well as those receiving grant from the safety net, would be able to set lower charges.

The Secretary of State warned that 'those local authorities which are not prepared to budget sensibly should know that I shall be prepared to make vigorous use of my powers for charge capping next year'. He had power to cap an excessive budget or an excessive annual increase in a budget. In 1990-91 it had been impracticable to use the second power. In 1991-92, however, he would not hesitate to use either measure. In deciding what was an excessive increase, Mr Patten would take into account the extent to which budgets exceeded SSAs.

Wales

The Secretary of State for Wales announced an SSA for 1991-92 of £2,436 million, which was some 8 per cent more than local authority budgets in 1990-91. Aggregate external finance would be £1,939 million – 11·2 per cent above the 1990-91 figure. Mr Hunt also urged authorities to pass on this benefit in the form of lower bills and not to raise expenditure. The proposals implied a community charge of £228.

Scotland

The Secretary of State for Scotland announced aggregate external finance for 1991-92 of £4,338 million, which was £410 million higher than in 1990-91. Mr Rifkind said that, if local authorities in Scotland were to reduce their spending to levels closer to those elsewhere in Britain, 'there would be scope for large reductions in the community charge'.

Industrial Disputes

The latest available statistics on working days lost in Britain in 1989 show that, although the number of working days lost rose slightly in 1989 to 4·1 million (see table), this was substantially lower than the annual average of 9·7 million days lost during the period 1979-88.

Details were given in the July issue of the *Employment Gazette* (HMSO, £3·80; ISBN 0 11 728745 8), and indicate that there was a decline in the number of workers involved in stoppages, from 790,000 in 1988 to 730,000 in 1989. This compares with an annual average of 1·43 million during the period 1979-88.

The number of stoppages in progress fell from 781 in 1988 to 701 in 1989, which represents the lowest figure for any year since 1935, although the article points out that the difficulties in ensuring complete recording of stoppages mean that comparisons over time have to be interpreted with caution (see below).

As in previous years, a relatively small number of stoppages accounted for the majority of working days lost. There were 53 prominent stoppages, which involved the loss of 5,000 or more working days. These stoppages accounted for 92 per cent of the total working days lost in 1989. One dispute accounted for half the number of working days lost in the year: this was the nationwide strike by members of the National Association of Local Government Officers in July and August 1989, in which 2 million working days were lost (49 per cent of the 1989 total). Just under three-quarters of stoppages lasted for less than four working days. The number

Stoppages in Progress

	1979	1984	1985	1986	1987	1988	1989
Working days lost (thousand)	29,474	27,135	6,402	1,920	3,546	3,702	4,128
Working days lost per 1,000 employees*	1,273	1,278	299	90	164	166	182
Workers involved (thousand)	4,608	1,464	791	720	887	790	727
Number of stoppages	2,125	1,221	903	1,074	1,016	781	701

* Based on the latest available mid-year (June) estimates of employees in employment.

of working days lost per 1,000 employees averaged 182 in 1989, slightly higher than in 1988, when the average was 166.

Disputes over pay represented the largest single cause of work stoppage, accounting for 80 per cent of working days lost in 1989 (as against 51 per cent in 1988), followed by disputes over the number and pattern of hours worked (8 per cent) and redundancy (4 per cent). In terms of the number of stoppages, disputes over pay accounted for 40 per cent, manning and work allocation 29 per cent, working conditions 11 per cent, and dismissal and other disciplinary measures 8 per cent.

Information about stoppages of work arising from industrial disputes is collected on a voluntary basis, through the Department of Employment's local unemployment benefit office network and other sources. The article says that there are difficulties in ensuring complete recording of stoppages, especially of short disputes or those involving only a few workers. Accordingly, stoppages involving fewer than ten workers and those lasting less than one day are excluded from the statistics, except where the aggregate number of working days lost exceeds 100. This limitation has much more effect on the estimate of the number of stoppages than on working days lost. The latter is therefore considered a more comprehensive indicator, as well as a better measure, of the impact of industrial disputes.

Small Businesses

The number of businesses registered for value added tax in Britain rose by an estimated 87,000 in 1989, an average of nearly 1,700 each week. This is the largest net yearly increase ever recorded and suggests that the small firms sector is experiencing sustained growth. The stock of businesses increased by 29 per cent during the 1980s.

Information about registrations and deregistrations for value added tax (VAT)[1] was made available through a Department of Employment news release on 17 July. Revised national figures for 1988 were announced, as well as new figures for 1989. Preliminary estimates for regional and sectoral changes in 1989 were provided, as well as an analysis of the figures for the whole of the 1980s.

All firms with an annual turnover in excess of £25,400 must register for VAT, although those with a lower turnover may register if they wish. All firms registered for VAT purposes cannot thus be equated with all small firms. However, some 90 per cent of businesses in Britain have an annual turnover of less than £500,000, which means that most are small firms. Therefore, net registrations for VAT are a good measure of growth in the small firms sector.

Changes in VAT Registration and Deregistration

The net increase in businesses registered for VAT during 1989 of 87,000 (see table) represents a substantial increase over the figures of 65,000 and 42,000 in 1988 and 1987 respectively. While the number of registrations was 46 per cent higher in 1989 than in 1985, the corresponding figure for deregistrations was only 9 per cent higher.

Sectoral and Regional Changes

By industrial sector, the highest rate of net increase in 1989 – some 14 per cent – was in the category of finance, property and professional services. The next largest increase, of 12·4 per cent, was recorded in the category of 'other services', which includes many activities, such as contract cleaning, hairdressing and entertainment services. The number of businesses engaged in the construction trades increased by nearly 9 per cent. The only sector to experience a drop in its stock of businesses in 1989 was agriculture, which recorded a drop of 0·3 per cent. Retailing firms increased only slightly in numbers. Almost all other sectors showed an acceler-

[1]Registrations and deregistrations for VAT are not synonymous with the births and deaths of businesses. A firm may delay its registration until some time after it is formed, or until its turnover reaches the VAT threshold. Deregistration may occur for many reasons other than closure, and it appears that many firms' lifespans are much longer than implied by their period of registration.

Registrations, Deregistrations and Stock of Businesses in Britain

thousands

	Stock at start of year	Registrations	Deregistrations	Net change	Stock at end of year
1980	1,289	158	142	16	1,305
1981	1,305	152	120	32	1,337
1982	1,337	166	145	21	1,357
1983	1,357	180	145	35	1,392
1984	1,392	182	152	30	1,422
1985	1,422	182	163	19	1,441
1986	1,441	191	164	27	1,468
1987	1,468	209	167	42	1,510
1988	1,510	235	170	65	1,575
1989	1,575	265	178	87	1,662
1980-9	1,289	1,920	1,547	373	1,662

Notes: The pattern of registrations and deregistrations may have been affected by disturbances in the regular processing of register amendments because of industrial action between 1979 and 1981.
Differences between totals and the sums of their component parts are due to rounding.

ation in growth in 1989. Only retailing and agriculture recorded losses in numbers of businesses registered for VAT between 1980 and 1989: 2·2 per cent and 0·2 per cent respectively. All other sectors grew substantially over the period, from just over 9 per cent in catering to 100 per cent in 'other services'.

All regions of Britain experienced some growth in the net number of businesses registered for VAT during 1989, ranging from just over 2 per cent in Northern Ireland to just over 7 per cent in the South East. The latter experienced the largest increase in numbers of businesses during the period 1980-89, some 40 per cent.

Small Firms Service

Announcing the figures on VAT registrations and deregistrations, the then Minister of State for Employment, Mr Tim Eggar, noted that 1989-90 had been a record year for the Small Firms Service (see p 317, 1988), which had just published its annual report.[1] The Service answered more than 317,000 enquiries and provided 50,000 counselling sessions to over 36,000 business clients during the year, an increase of nearly 18 per cent compared with 1988-89. Mr Eggar said that, after 18 years of operation in this area, the Small Firms Service's counselling functions would be taken over by the new Training and Enterprise Councils (see pp 142-3).

Woodland, Farmland and the Environment

Grants to help protect and improve the environmental quality of woodlands have been announced. The Government also proposes to integrate environmental measures into agricultural policy under the Set-Aside Scheme, designed to reduce surplus production of cereals and other crops.

[1] *Small Firms Service Annual Report 1989-90.* Available free from the Department of Employment, Small Firms Service, Steel House, Tothill Street, London SW1H 9NF.

Woodlands

In a statement in the House of Commons on 23 July (*Hansard,* Vol 177, No 148, written answers, cols 6-11) the Secretary of State for Scotland, Mr Malcolm Rifkind, summarised government policy on broadleaved woodlands since 1985. A review of this policy, put in hand in 1988 and discussed with interested bodies in 1989, had made clear its success in extending the area of broadleaves throughout Britain. In 1984-85, some 9 per cent of grant-aided planting by private owners had been with broadleaves; by 1988-89 this had risen to about 17 per cent. Loss of broadleaved woodland had been arrested and attention focused 'on the irreplaceable contribution that the semi-natural woodlands make to our environment'. The Government now accepted, he continued, that more needed to be done to ensure the better management of broadleaved woodlands, to encourage owners to make neglected woodlands healthy and productive, and to give owners the incentives to maintain and improve the environmental value of their lands.

The Government had therefore decided to make annual woodland management grants under the Woodland Grant Scheme (see p 117). In the light of forestry tax changes (see p 139, 1988) and the need for all-round improvements in environmental value, it had also decided that the grants would be available for conifer as well as broadleaved and mixed woodlands. To qualify, owners would have to agree a five-year plan with the Forestry Commission. Applicants drawing up plans for the first time, with professional advice, would qualify for a payment of £100. The new arrangements would come into operation from 1 April 1992. There would be two types of grant (see Table 1).

Standard Management Grants

These would be payable from ten years after the establishment of the woodland until 40 years of age for broadleaved woods and 20 years for conifer woods.

Table 1

Woodland Management Grants from 1 April 1992

Type of grant	Period of eligibility (age of wood in years)	Rate of grant (£ a hectare a year)
Standard management grant		
Conifer	11-20	10
Broadleaved	11-40	25
Special management grant	11 onwards	35
Supplement for small woods		
Standard grant: conifer	(as for main grant)	5
broadleaved	(as for main grant)	10
Special grant	(as for main grant)	10

Note: Mixed woodlands will be eligible for the broadleaved and conifer element of the grant in proportion to the area occupied by the two categories.

Table 2

New Permanent and Rotational Fallow Rates

£

	LFA[1]	non-LFA
Permanent Fallow		
New participants	202	222
Existing participants under new rules	190	210
Existing participants under old rules	180	200
Rotational Fallow		
New participants	182	202
Existing participants under new rules	170	190
Existing participants under old rules	160	180

[1]Less favoured areas.

Special Management Grants

These would be available for woodlands of particular environmental value – for nature conservation, landscape or public recreation – and would be an alternative to the standard grant for eligible woodland over ten years old. The owner would be expected to maintain the area's special character. Proposals to create, develop or improve facilities for public access or recreation may attract the special grant.

Farm Woodland Scheme

Similar management grants would be available to farmers under the Farm Woodland Scheme (see p 115) in addition to annual payments under the scheme. (These are compensation for agricultural income forgone, not to defray maintenance expenditure.)

Other Measures

By an extension to the Woodland Grant Scheme, planting grants would be made for the establishment of short rotation coppice [a tree crop raised from shoots produced from the cut stumps of the previous crop]. Such coppice would also be eligible for management grants.

A flexible approach would continue to be adopted on planting grants so that the environmental benefits of open ground could be taken into consideration. Measures to protect broadleaved woodlands from grey squirrels would be a condition of the management grants.

Set-Aside Scheme

In its first two years over 3,000 farmers in Britain have applied to set aside (see p 115) 110,000 hectares[1] of arable, about 2·3 per cent of eligible land. Of these, 80 per cent have taken the permanent fallow option (see below), 9 per cent rotational fallow, 2 per cent woodland and 9 per cent non-agricultural. In the European Community as a whole, about 500,000 hectares were set aside in 1989 and cereal production was cut by between 1 and 2 million tonnes.

In a statement in the House of Commons on 26 July (*Hansard*, Vol 177, No 151 [Part II], cols 554-6) the Minister of Agriculture, Fisheries and Food, Mr John Gummer, announced amendments for thethird year (1990-91) of the Set-Aside Scheme and for subsequent years. 'Our policy', he said, 'is that the scheme . . . should protect the environment and should, where possible . . . lead to environmental improvements. In general we favour integrating, as far as possible, environmental measures into agricultural policy.' The amendments are as follows:

1 The plant cover on fallow set-aside land is to be cut twice a year instead of once, as at present.

2 Features that farmers are expected to maintain and protect are to include stone walls, indigenous buildings, unimproved grassland, moorland and heath.

3 A limited grazed fallow is to be introduced. Under this, farmers who kept livestock in the first year (1988-89) will be able to graze animals on fallow land up to a limit of the number of livestock units on the holding in the first year. Deer- or goat-farmers will also be allowed to graze them on fallow set-aside land up to a limit of one livestock unit a hectare if they did not have the animals in the first year. The rate for grazed fallow will be approximately half the permanent fallow rate (see Table 2).

4 Equivalent changes will be made to the Countryside Premium Scheme (see pp 115-16), which offers aid on suitable set-aside land in seven eastern counties of England.

5 The rates of aid for permanent fallow and rotational fallow will be increased (see Table 2). New entrants to the scheme will receive the higher rates and will be bound by the new management rules. Existing participants may also choose to observe the new rules and receive an appropriate adjustment to the rates.

6 Differential rates will reflect the savings made in the setting aside of large proportions of land on larger farms. Farmers who set aside to fallow more than 10 hectares of land and more than 75 per cent of their area eligible for set-aside will receive lower rates of payment on the area above 10 hectares.

[1]1 hectare=2·4711 acres.

Energy Policy

The Secretary of State for Energy, Mr John Wakeham, has defined government policy on various energy matters, including commitment to the Sizewell B nuclear station, and commented on the market response in the first weeks after the restructuring of the electricity supply industry.

The Government's special share in Britoil is to be redeemed.

Further studies into a tidal energy barrage across the river Mersey have been announced.

Electricity Privatisation

In a debate on electricity privatisation in the House of Commons on 25 June (*Hansard,* Vol 175, No 128, cols 32-9) Mr Wakeham said that since the reconstruction of the electricity supply industry (see pp 144-5) there had been competition to sign up large industrial customers: 'competition not just between the generators and [between] the generators and the regional electricity companies, but also between the regional electricity companies themselves'. New entrants were coming into the generation market, he said. National Power and PowerGen were responding by reviewing their plans and cutting their costs. Large customers had real choice, being able to negotiate not only with their regional supply company, but also with any generator connected to the system, and were showing interest in generating their own electricity. The Government had introduced a spot market, which determined the price of electricity, worth about £15 million a day. [Generators are expected daily to declare to the National Grid Company the price at which they will supply electricity from each of their power stations for each half hour of the following day.] The Government had also safeguarded security of supply by introducing the licence system (see pp 17 and 19, 1989), by which the regional supply companies would have to contract for sufficient electricity to meet the demands of their areas, with substantial financial penalties for any company that did not contract for enough.

On 23 July the Secretary of State announced (*Hansard,* Vol 177, No 148, col 9) that the 12 regional electricity companies in England and Wales to be privatised in November 1990 would have a combined debt on flotation of £1,942·5 million. The debt of the National Grid Company would be £901 million.

PowerGen

In the House of Commons on 23 July (*Hansard,* Vol 177, No 148, col 39), Mr Wakeham announced that Hanson plc had expressed interest in making an offer for PowerGen plc (see pp 144-5). 'I have a duty to the taxpayer', he said, 'to get a proper return from the sale of the electricity companies. I therefore propose to pursue discussions with Hanson in parallel with pushing forward preparations for the flotation of PowerGen'. If Hanson decided to make a binding offer, he would invite other companies to tender for PowerGen on a similar basis. He would also lay down conditions affecting management and workforce – for example, the continuation of collective industrial relations, the maintenance of pension rights, and benefits financially comparable to those that employees would have received in a public share offer. PowerGen's fuel purchase and supply contracts would continue. He added that a restriction would be placed on a purchaser's ability to dispose of all or a substantial part of PowerGen's business, while there would also be provision to ensure that the taxpayer would share in profits from property disposals. A purchaser would also be expected to build plant not harmful to the environment.

Nuclear Power

Sizewell B: Timetable and Cost

In a letter of 26 June to the chairman of the House of Commons Energy Committee, the Secretary of State gave his reaction to a review by Nuclear Electric plc on the timetable and costs of the pressurised water reactor (PWR) at Sizewell B (see p 473, 1989). He recalled that the non-fossil fuel obligation would be set at a level which would be satisfied without the construction of new nuclear stations beyond Sizewell B. Nuclear Electric would not receive investment approval for new nuclear stations before 1994, when the Government would undertake a comprehensive review of the prospects for nuclear power in the future. Nuclear Electric had confirmed that the Sizewell B project (started in 1987 and now one-third finished) would be completed in 72 months instead of the 84 months originally envisaged. The estimated cost (£1,691 million in 1987, revised to £1,870 million in 1989) had risen to £2,030 million (in 1987 prices). The increase, Mr Wakeham said, was a direct consequence of the Government's decision to cancel the proposed programme of four PWRs. Some costs, which would have been spent across this programme, must now fall on Sizewell B alone.

If it were decided to cancel Sizewell B, he continued, the amount saved would be £990 million at March 1990 prices. There would still be a need, however, for new generating capacity. The Government had compared the likely cost of power from Sizewell B with that from a combined cycle gas turbine (CCGT) power station (see p 473, 1989, and below). In doing so, it had supposed a lifetime of 40 years and a 75 per cent availability for the PWR, and a lifetime of 20 to 40 years and a 90 per cent availability for a CCGT. If an 8 per cent public sector rate of return were assumed, even though a CCGT would be built by the private sector, the costs of power would be 2·64 p/kWh[1] from Sizewell B and 2·48 p/kWh from a CCGT. At a 10 per cent rate of return the costs would be 2·99 and 2·54 p/kWh respectively.

Maintaining the Nuclear Option

Cancellation of Sizewell B, Mr Wakeham said, would either make it much more difficult to embark on a nuclear programme in future or mean that it could only be done after many years' delay. Nuclear power could play a part, along with energy efficiency and renewable sources of energy (see pp 241-5, 1988), in combating the greenhouse effect and global warming (see pp 222-4). A coal station, he added, producing the same amount of electricity would emit over 6 million tonnes of carbon dioxide a year and a new CCGT about 2·5 million tonnes. As it would be possible only to speculate about fossil fuel

[1] pence a kilowatt hour.

resources and prices in the longer term, he stressed the importance of Sizewell B in maintaining diversity of supply.

Combined Cycle Gas Turbine Power

In a statement in the House of Commons on 25 June (*Hansard,* Vol 175, No 128, cols 1-3), the Secretary of State said that electricity demand was forecast to rise over the next decade. Surplus capacity was likely to end within the next few years and net capacity needed to be ordered soon to meet increased demand. Although the Government encouraged a diversity of fuels, he pointed out that CCGT power stations were friendly to the environment. For every unit of carbon dioxide (see pp 222-3) emitted from a coal-fired station, just over half a unit was emitted from a CCGT station. Two CCGT stations had been given planning consent and two further applications were under consideration.

Flue Gas Desulphurisation

Mr Wakeham agreed (*Hansard,* Vol 175, No 128, col 35) that flue gas desulphurisation (FGD – see p 108, 1989) had an important role in reducing emissions of sulphur dioxide, a cause of acid rain, from coal-burning power stations. Even so, it increased emissions of the greenhouse gas carbon dioxide, while CCGT tackled both problems. Under present plans a minimum of 8 gigawatts[1] of FGD were likely to be fitted in England.

Britoil

In a statement in the House of Commons on 20 July (*Hansard,* Vol 176, No 147, cols 1305-6), the then Minister of State for Energy, Mr Peter Morrison, announced that the Government's special share in Britoil [which it retained to prevent any unwanted change of control] was to be redeemed (see pp 118-19, 1988).

He said that a number of benefits to Scotland and to the development of Britain's oil and gas resources had been secured as a result of British Petroleum (BP)'s compliance with assurances which it gave when it acquired Britoil in1988. The reserves of Britoil's producing fields, he said, had increased by 24·5 per cent (67 million barrels – 9 million tonnes). The drilling rate on Britoil acreage had grown in 1988 and would be doubled by this year's drilling, on which BP was confident of spending some £310 million. A further £30 million was being spent on exploration research and development. BP was pressing ahead with the development of Miller, Amethyst and other major fields. In 1990 BP Exploration would spend some £1,000 million on activities from Scotland.

Renewable Sources of Energy

The Government is to grant £1·5 million towards a third phase of feasibility studies for a tidal energy barrage across the river Mersey (see p 244, 1988, and pp 431-2, 1989). Making the announcement on 20 July, the Parliamentary Under-Secretary of State for Energy, Mr Tony Baldry, said that the Department of Energy would continue to fund the studies on a 50:50 basis, as part of its research programme into renewable energy technologies. Electricity privatisation held enhanced prospects for renewable energy, which would help reduce the threat of the greenhouse effect. Mr Baldry also announced the setting-up of an interdepartmental ministerial committee to consider the wider implications of the proposed barrage.

Some 24 local and national companies are also involved in carrying out the studies. The first two stages have been jointly funded by the Department of Energy and the Mersey Barrage Company. The cost of a barrage has been estimated at £880 million, with an installed capacity of 700 MW. Its electrical power would be some 1,500 GWh a year, about 0·65 per cent of present electricity consumption in England and Wales. The barrage and road crossing (1·75 km [1·1 miles] in length) would run from the Liverpool Garden Festival site to the New Ferry, Wirral. It would contain 28 turbines.

[1] 1 gigawatt (GW) = 1,000 megawatts (MW).

Research and Development

The Government's annual review of research and development shows that government research expenditure in 1988-89 was some £4,500 million, about the same as in 1987-88, and represented 3·9 per cent of total central government expenditure. Total research and development expenditure in Britain in 1988, measured according to international definitions, was some £10,300 million, about 8 per cent greater than in 1987, and represented 2·2 per cent of gross domestic product.

The 1990 review,[1] published on 25 July, is the eighth in a series that was established in response to the first report of the House of Lords Select Committee on Science and Technology in 1982 (see p 260, 1982). Its purpose is to assist the Government in decisions related to science and technology. It gives details of expenditure on research and development (R & D) by government departments, by the research councils, by the Universities Funding Council (UFC) and by the Polytechnics and Colleges Funding Council (PCFC). The review also includes:

- the results of the latest survey of R & D performed in industry in Britain, giving figures for 1988;
- details of R & D manpower employed by both government and industry;
- separate treatment of European Community R & D and the background to the European Community's Framework Programme;
- international comparisons of British R & D activity within the context of European Community and Organisation for Economic Co-operation and Development (OECD) countries; and
- for the first time, patent information.

Government R & D

The Government spent some £4,530 million on R & D in 1988-89, largely on science and technology, but including £88 million on the humanities.

[1] *Annual Review of Government Funded Research & Development 1990.* Cabinet Office. HMSO, £23·95. ISBN 0 11 430044 5.

Table 1
Expenditure on R & D in Broad Groups of Industry

£ million

	1975	1978	1981	1983	1985	1986	1987	1988
Chemicals and allied products	227	394	617	735	942	1,038	1,303	1,574
Mechanical engineering	98	174	234	250	263	268	286	301
Electronics	284	657	1,235	1,474	1,759	1,950	1,855	2,064
Other electrical engineering	73	101	121	118	126	152	142	147
Motor vehicles	88	130	180	240	372	394	450	468
Aerospace	292	425	763	720	818	830	871	814
Other manufactured products	213	333	361	334	395	438	463	505
All manufactured products	1,275	2,213	3,512	3,870	4,673	5,070	5,370	5,872
Non-manufactured products	65	112	281	294	448	880	964	989
Total	1,340	2,324	3,793	4,163	5,122	5,951	6,333	6,861

Note: Differences between totals and the sums of their component parts are due to rounding.

The total was much the same as in 1987-88. Civil R & D in 1988-89 amounted to £2,540 million, 5 per cent more than the revised figure for 1987-88, while defence R & D expenditure was £1,991 million, about 1 per cent less. Defence expenditure is planned to remain at less than half the total in future years.

Tables in the review give a breakdown of the total expenditure by department; by primary purpose, a categorisation relating research to other aspects of government activity; and by type of activity, indicating the extent to which research is pure or applied. The review also gives an analysis of the overall distribution of funding, that is the value of research carried out in different institutions, and the current and projected levels of research manpower. More detailed tables give the distribution of individual departments' expenditure and break it down by subject area and primary purpose.

In 1988-89 some 28 per cent of civil R & D expenditure was by the research councils, compared with 26 per cent in 1987-88. There was a corresponding decrease in the proportion spent by the civil departments of government. Expenditure by the research councils is planned to increase further and that of the departments to decrease, both in money terms and proportionally. This reflects the Government's responsibility for the support of the underlying science and technology which, in the future, industry itself will be able to exploit.

Among the civil departments, the Department of Trade and Industry (DTI) had the biggest budget in 1988-89, at £314 million accounting for almost a third of the total for civil departments. Gross expenditure by the DTI was £356 million, 52 per cent of it in private industry, partly offset by receipts of £42 million. Other major spending departments were the Department of Energy, largely through the United Kingdom Atomic Energy Authority, and the Ministry of Agriculture, Fisheries and Food, in its own establishments and through the research councils.

More than 98 per cent of R & D expenditure by the Ministry of Defence (MoD) was in support of government procurement, and this accounted for almost all such R & D. The bulk of it was carried out either inMoD establishments or (the largest portion) in industry, and was classified as experimental development, the most applied category of research.

The civil departments' expenditure was in support of policy and to improve technology, with a significant proportion spent on support for statutory duties. The largest element of research council expenditure was on the advancement of science, with the improvement of technology and support of policy taking smaller shares. The bulk of UFC expenditure also went to the advancement of science, with a smaller part going to the improvement of technology. In addition, the UFC was responsible for all support for the humanities. PCFC expenditure was on the improvement of technology.

Correspondingly, 36 per cent of civil R & D was basic research, mostly funded by the research councils and the UFC. Some 8 per cent was experimental development, all funded by the civil departments.

The survey outlines the structure of European Community R & D, where Britain's contribution is in addition to its other funding of R & D. The Community's current Framework Programme is for the period 1987-91 and the overall British contribution will be some £660 million.

Expenditure in Industry

Figures for expenditure on R & D in industry, including that funded by the Government, derive from a full survey of industry carried out for 1985 and updated by a sample survey for 1988 (see p 119). They show that some £6,860 million was spent in industry in 1988, representing an increase of some 8 per cent in cash terms and 1·8 per cent in real terms as compared with 1987 (see Table 1). Industry's own share of this funding rose from 68 per cent in 1987 to 71 per cent in 1988, with 17 per cent coming from government and 12 per cent from overseas.

Overall Figures and International Comparisons

The review includes a breakdown of total British

Table 2

R & D Performed in Each Sector in Britain in 1988 According to Source of Finance

£ million

	Sectors carrying out the work				
	Government	Higher education	Industry	Other	Total
Sectors providing the funds					
Government	1,247	1,231	1,133	179	3,790
Higher education	–	77	–	–	77
Industry	138	94	4,898	171	5,300
Overseas	48	45	830	10	932
Other	50	134	–	50	234
Total	1,482	1,581	6,861	410	10,333

Note: Differences between totals and the sums of their component parts are due to rounding.

R & D by sector in which it is performed and by source of finance. This is in terms of OECD definitions of R & D expenditure and is not directly comparable with previous tables. It gives a gross figure of £10,333 million for R & D in 1988, the figure being some 9 per cent greater than that for 1987 (see Table 2). The government contribution to this was some 37 per cent and industry's some 51 per cent, most of the rest coming from overseas. These figures represent a small fall in the contribution of the Government and a small rise in that of industry since 1987.

In 1988 Britain accounted for 15 per cent of civil R & D expenditure by European Community governments and for 36 per cent of defence R & D. Corresponding figures for the Federal Republic of Germany were 28 per cent and 12 per cent, for France 23 per cent and 42 per cent and for Italy 19 per cent and 7 per cent. Total expenditure on R & D was estimated to be 2·2 per cent of gross domestic product in Britain, 2·3 per cent in France, 2·8 per cent in the Federal Republic of Germany, 1·3 per cent in Italy and 2·7 per cent in the United States.

Shorter Note

AIRPORTS

The Secretary of State for Transport, Mr Cecil Parkinson, is to set up a working group to examine the economic and environmental considerations regarding additional runway capacity for south-east England. Details were announced by Mr Parkinson in the House of Commons on 17 July in response to a report published by the Civil Aviation Authority (CAA) on the same day.[1]

The report, commissioned by the Department of Transport, provides technical advice on the adequacy of Britain's airport and airspace capacity to 2005 and suggests possible options for providing increased capacity. Options were considered from the point of view of safety, airspace management, air traffic control and the economic interests of the passenger, but environmental consequences were not examined.

Mr Parkinson stressed, however, that he was fully aware of the impact of airport development on the environment. No major runway development would take place, he said, 'without full public consultation and a public inquiry into any objections'. Representatives from bodies concerned with local and environmental interests – as well as those representing the airport, airline and tourism industries and government departments – would be invited to participate in the working group.

The CAA believed that extra runway capacity to serve the South East would be required by 2005, Mr Parkinson announced. The authority had looked at eight options for further development at existing airports, noting in its report that the Government would need to take account of many wider factors before making a choice. Mr Parkinson believed that the objections to a second runway at either Stansted or Gatwick, as outlined in the 1985 White Paper on airports policy (see pp 236-7, 1985), were still valid. According to the report, traffic at regional airports would continue to grow rapidly, but would not be an effective substitute for additional capacity at airports serving the London area.

The Government has also indicated that it is to obtain specialist advice on the feasibility of privatising Northern Ireland Airports Limited. Announcing the decision in the House of Commons on 24 July, the Secretary of State for Northern Ireland, Mr Peter Brooke, said that the advisers would be asked to determine the costs and benefits and other details of disposal to enable the Government to consider prospects for privatisation in due course.

Sources: Department of Transport news release, 17.7.90; Northern Ireland Information Service news release, 24.7.90; *Hansard,* Vol 176, No 144, written answers, cols 473-4.

[1] *Traffic Distribution Policy and Airport and Airspace Capacity: The Next 15 Years.* Available from the CAA, PO Box 41, Cheltenham, Gloucestershire. £11·60.

Shorter Notes

SCOTTISH NATURAL HERITAGE

A consultation paper, outlining in detail the Government's proposals for the creation of the new Scottish natural heritage agency, has been published. At present, the Countryside Commission for Scotland (CCS) is responsible for conserving and enhancing the natural beauty and amenity of the Scottish countryside and for encouraging the provision of facilities for open-air recreation. Nature conservation in Great Britain is the responsibility of the Nature Conservancy Council (NCC), but, under the Environmental Protection Bill (see pp 81-4), the NCC would be divided into separate bodies for England, Scotland and Wales. The Government's plans to merge the new Nature Conservancy Council for Scotland (NCCS) with the CCS were first announced in July 1989 (see pp 329-30, 1989). The merged body, to be called Scottish Natural Heritage (SNH), will begin operation in April 1992, subject to parliamentary approval.

The consultation paper follows one published in 1989 (see p 337, 1989). The new paper represents a development of the plans, based on consideration of the responses to the first paper and on consultation with the two bodies concerned. It fulfils a promise to undertake further consultation on the implementation of the proposals.

The Government believes that the plans to merge the NCCS and the CCS would be of benefit in five ways:

1 They would correct an administrative anomaly, whereby nature conservation in Scotland is the responsibility of the Secretary of State for the Environment, who has no other environmental responsibilities in Scotland.

2 The proposals offer the chance to promote co-operation and reduce conflict in the conservation and sustainable development of Scotland's natural resources.

3 Since Scotland's natural heritage is distinct from that in the rest of Britain, an integrated agency would be able to build up a group of scientists whose expertise reflected Scottish conditions.

4 The new agency would end the duplication and dilution of effort caused by having two separate agencies in Scotland both concerned with closely allied issues.

5 There would be greater scope for positive action by a body that combines the powers of the NCCS and the CCS.

The paper proposes that SNH should be a non-departmental public body funded by the Scottish Office. It would be accountable to Parliament through the Secretary of State for Scotland, who would appoint the board members. He would thus take sole responsibility for environmental matters in Scotland. SNH would inherit the staff of the NCCS and the CCS. Total staffing would probably be higher than at present, since some work on Scottish matters is currently done at the NCC's headquarters in Peterborough (Cambridgeshire). SNH would be able to do everything that the CCS and the NCC do at present, including:

– designate sites for protection;

– negotiate management and access agreements;

– provide funding to public, private and voluntary sector organisations and to individuals for specific projects;

– purchase, own, lease or manage land;

– fund special projects directly;

– conduct and commission research; and

– advise and inform the Government, other organisations and the public on Scotland's natural heritage.

Welcoming the consultation paper, the Secretary of State for Scotland, Mr Malcolm Rifkind, said that SNH would focus more attention outside statutory protected areas, on environmental enhancement and on positive conservation. It would build on the established expertise of the CCS and the NCC and work closely with the scientific community and conservation experts. It would also collaborate with local communities, farmers and landowners to develop sensitive uses of natural resources. 'In short, its watchwords will be partnership, positive action, decentralised decision-making and sound management advice.'

Sources: *Scotland's Natural Heritage: The Way Ahead* (see p 297); Scottish Office news release, 20.7.90.

COMMUNITY CARE REFORMS

The introduction of a phased timetable for the implementation of the Government's policies for

improving care in the community for elderly, disabled, mentally ill and mentally handicapped people was announced by the Secretary of State for Health, Mr Kenneth Clarke, in the House of Commons on 18 July. The policies form part of the National Health Service and Community Care Act 1990 (see pp 29-35).

Mr Clarke said that 'the changes we propose in community care would lead to many local authorities increasing their expenditure and their levels of community charge. This would place a further unacceptable burden on chargepayers. The Government has therefore decided that it would not be right to implement all the new proposals for care in the community simultaneously on 1 April next year.'

The first phase of the new policies, including new inspection units within local authorities and new complaints procedures, will be introduced on 1 April 1991. Phase 2 will begin on 1 April 1992 and will include new planning arrangements for local authorities and health authorities. The new system will be fully implemented from 1 April 1993. The Secretary of State for Scotland, Mr Malcolm Rifkind, and the Secretary of State for Wales, Mr David Hunt, have announced similar plans for Scotland and Wales.

Sources: *Hansard,* Vol 176, No 145, cols 999-1014 and written answers, cols 597-8; *Hansard,* Vol 176, No 147, written answers, col 610.

DRUG DEMAND REDUCTION FORCE

The Government is setting up a task force to help other countries develop measures aimed at reducing the demand for drugs.

The task force will help identify need and pass on expertise and information on how this might be met using British experience. Implementation of demand reduction programmes would fall to the country concerned, but there would be the possibility of assistance from development aid sources.

A small unit of civil servants based in the Department of Health will support the task force, whose members will be drawn from experts in health and education, including the voluntary sector. It will also include specialists in areas such as publicity. The task force is expected to start its operations in autumn 1990.

Commenting on the Government's decision, the Home Secretary, Mr David Waddington, said that during the World Ministerial Drugs Summit in April (see pp 186-90) Britain had announced that it would be providing help to other countries. He added: 'The Government has decided that the best way of doing this is to draw on the wide range of expertise . . . [in Britain] in the areas of drug prevention publicity campaigns, drugs education, community-based prevention initiatives and treatment and rehabilitation for drug misusers.'

Source: Home Office news release, 11.7.90.

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